

Background Paper - Needs Assessment – Employment Last updated September 2013

1. Policy Background

National

National Planning Policy Framework, 2012

Key policies within the National Planning Policy Framework, relevant to employment are

- There should be encouragement for sustainable development, based on the 3 roles – economic, social and environmental (para 7);
- contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure
- Local Plans should meet objectively assessed need (para 14); proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth (para 17);
- To help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century (para 20):
- Identify strategic sites for local investment, ensure the Plan supports business, identify any potential for clusters of knowledge driven, creative or high tech industries and priority areas for economic regeneration, infrastructure provision and environmental enhancement (para 21),
- Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose (para 22);
- Proposals should consider viability and deliverability (paras 173, 174)
- The need for various uses should be assessed using a robust evidence base (details are specified in paras 159, 160, and 161).

Government changes to policy

The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013 came into force on 30th May 2013. For the next three years development consisting of a change of use of a building and any land within its curtilage to a use falling within Class C3 (dwelling-houses) of the Schedule to the Use Classes Order from a use falling within Class B1(a) (offices) of that Schedule will be Permitted Development. This is likely to have an impact on the future of all Borough employment sites and any potential new provision as part of mixed use schemes or redeveloped employment uses. The Council will be closely monitoring the effect of this change.

Regional

London Plan

Policy 2.7 - Outer London Economy

This places an emphasis on outer London making a stronger contribution to the economic growth of the capital

Policy 4.1 - Developing London's Economy

The Mayor will work with partners to promote the development of a strong, diverse sustainable economy across all parts of London.

Policy 4.2 - Offices

LDFs should manage long term structural change in the office market and ensure that there is enough office space of the right kind in the right location, encourage renewal and modernisation in viable locations and support changes of surplus office space to other uses.

Policy 4.3 - Mixed Use Development and offices

Local Plans should develop approaches to mixed use development where values for other uses (such as residential) may be higher and therefore support some office space renewal.

Policy 4.4 - Managing Industrial Land and Premises

LDFs should demonstrate how the stock of industrial land and premises will be managed, taking account of the Borough level grouping, (which for this Borough, is Restricted Transfer i. e. to adopt a restricted transfer approach to release of industrial land to other uses.) Sufficient space to accommodate demand for workspace suitable for SME's and for new and emerging industries and for waste management is also required.

Local

The [Core Strategy](#) is the strategic policy document. The policy specifically relevant to Employment is **CP19, Local Business**. This policy seeks to support a strong and diverse local economy by ensuring the retention of land in employment uses for business, industrial and storage. Development likely to generate significant amounts of travel are directed to the areas most accessible by public transport. In order to meet the needs of a variety of local businesses, small units are encouraged and mixed use schemes supported where the level of employment floorspace is retained and the new uses are not incompatible with established employment uses.

The [Development Management Plan](#) takes forward the Core Strategy with more detailed policies for the control of development. Policies relevant to employment are:-

Policy DM EM1 Development for Offices, Industrial , Storage and Distribution

The policy continues to support the local economy and employment within the borough and sets out various criteria the Council will take into account for proposals for new development.

Policy DM EM2 Retention of Employment

Due to the shortage of employment land stock in the borough, land, buildings and sites last used for employment purposes is retained in employment use unless there are exceptional reasons for its release. The policy aims to ensure that employment remains located close to residential areas to provide job opportunities and services within the reach of residents and ensure a stock of cheaper land for small firms, starter businesses and local entrepreneurs.

Other relevant Borough policy

Corporate Plan

The Section entitled “Commitments” includes:-

- Supporting Business and the Arts
- Ensuring that the borough continues to be a good place to start and do business by enhancing the competitiveness of local centres.
- Promoting growth opportunities for micro and small businesses, with a particular focus on social enterprise.
- Supporting local people to maximise their skills and employment opportunities, including people with learning disabilities, physical disabilities and mental health problems.

Key activities relevant to the Site Allocations Plan are

- Council support for small shops and high streets, and encouragement for businesses and sole traders.
- Working with local businesses and their representative organisations to help identify and address issues and to capitalise on the opportunities that the coming year brings. We will do this by enhancing the borough’s profile as a place to visit and do business, encouraging social enterprise and supporting initiatives to boost our town and village centres.
- Focus on attracting inward investors and retailers to town centres.
- Develop capacity for local traders to address local issues by helping to develop new business and traders associations.
- Ensure that businesses are aware of business rate relief and deferral opportunities.
- Raise awareness of and interest in the development of social enterprises.
- Deliver a full programme of sports and cultural events in partnership with local cultural sector organisations.
- Work with key business and higher education sector partners to develop and improve publicly accessible sports and cultural facilities in the borough.
- Continue to provide information, advice and guidance to young people to access a wide range of post-16 learning and training opportunities

Economic Development Strategies¹

Small Businesses play a vital role in the regional and local economy, with office development at the heart of this activity. The ongoing health of the local economy will be supported by seeking retention of employment where appropriate. A substantial proportion of the employment growth forecast for Richmond upon Thames in the next 15 years is expected to be based in offices. It is therefore essential that the Borough can continue to offer a range of attractive office space for business to grow and expand.

It is important that employment opportunities are created that can be accessed by local people. The on-going focus on accessible locations for office-based employment is necessary to promote future employment. Richmond upon Thames’s strategy supports the growth of the local economy and directs new development to the clearly defined town centres, while retaining existing employment which is spread throughout the borough including those characterised by small scale light industrial uses, creative industries and starter units. There is a danger that in some cases this strategy will be undermined without exemptions from the rights to convert offices to residential without planning permission.

¹ LBRuT 15 MARCH 2012 Report for Cabinet Member For Community, Business And Culture, **Economic Priorities And Delivery**

Although Richmond has a thriving and diverse local economy, comprising a mix of different business sectors, the need to secure an increase in the supply of office space remains. The growth of town centre living has, to be balanced against the need to protect the centre's key economic function and should not be at the expense of those uses which drive and support economic growth. There is a danger that decisions to convert office space to residential, that are commercially attractive for landowners based on today's economy will result in a reduction in the availability of office space that could weaken the local economy and threaten its ability to function effectively in the future.

The Council supports and encourages town centre management, partnerships and strategies including Business Improvement Districts in order to maintain the town centre network. Richmond is a strategic Outer London Development Centre with one or more specialist strategic economic functions and with potential to be developed as a business location with distinct strengths of greater than sub regional importance.

2. Research and Evidence

The results of the **2011 Business Survey**² confirmed that the borough has a dynamic and diversified economy composed of a large proportion of micro-business and self employment. The largest sectors locally are business services, creative industries and visitor economy, which all experienced jobs growth prior to the recession.

The survey suggests that there is potential for business growth in the borough. 38% of businesses said they were considering expanding their business in the near future. Among those who were considering expanding their business, nearly half said they would do so by offering new services, and by employing more staff.

Most respondents were quite optimistic: 39% said they expect turnover to increase over the next 12 months, with 42% expecting no deterioration.

The Council commissioned consultants Peter Brett Associates (PBA) to provide an **Assessment Of Employment Sites And Premises (March 2013)**, in order to build an up to date picture of Richmond's employment needs and provision, by area and sector; in order to support planning policy for the allocation, protection or release of employment sites. The Report builds upon earlier Employment Land Studies carried out in 2009 and 2006 by URS, which included an audit of existing employment land and premises, assessment of future supply, and provided an analysis of the local economy and likely growth /contraction and potential gaps in provision.

All findings confirm that there is a limited amount of employment land in the borough. Floorspace stock data shows that in comparison to neighbouring Boroughs, Richmond has an average stock of office floorspace (300,000 sqm) and a significantly lower stock of industrial and warehousing floorspace (176,000 sqm as opposed to 575,000 sqm average). There is therefore a much lower stock of industrial and warehousing land than a typical London borough. There is a chronic shortage of the "scruffy" shed type space essential to oiling the wheels of any local economy, including providing cheaper space, particularly useful for business start ups.

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Non office employment space is very thinly scattered around the Borough and what is available is often hemmed in by housing. However marginal activities are an important part of this local offer and supply is limited, at least in part due to the shortage of railway arches and similar backland space. What there is provides a valuable local function, providing locally based services to the business and resident population and helping reduce road journeys to non local centres. There is therefore a strong case for protecting the industrial, warehousing and business estates in the Borough and PBA recommend that all industrial land in the borough is protected against release to non employment uses in line with Policy DM EM2.

Richmond is virtually the only borough outside CAZ where speculative office development is not only viable but in progress. The main office centre is Richmond, with its low cost alternative Twickenham, and a large, but less active centre Teddington. There are smaller outliers such as Hampton, Mortlake, Hampton Wick and St Margarets where clusters of offices exist along with isolated sites spread across the Borough. Much of the office stock is good condition. However the recent prolonged recession means that there is scope to take a spatially different approach to various types of indifferent office accommodation and there is relatively a large stock of secondary offices, with a need to refurbish the space situated outside the better locations. The only area in which the borough may be seen as having an over-supply is high street offices over shops. It may be that demand for such space is now being met by serviced offices and home-based working.

PBA found a notable internet oriented media presence in the borough. They divided the borough into separate local property markets based on site visits and assessments. They found that B-type businesses are scattered across the borough in small clusters. They consist primarily (95%) of micro-enterprises (less than 10 employees) with very few large employers, including: the Council, based in Twickenham; National Physical Laboratory in Teddington; and the National Archives in Kew. The consultants suggest the type of property the Council should support and actively defend in each local market area³. Within the report they identify a number of the key employment sites and particular features of each of the market areas.

Table 1. Priority Uses by local property markets

Hampton	A small office market with a good outlook for high street space.
Mortlake	The area offers opportunities to create hybrid and studio style space, while the area is one of the few in Richmond Borough that offers good quality informal space.
East Sheen & Barnes	There are a small number of sites with continued opportunities for marginal and hybrid space.
Richmond Fringe	The office offer is diverse; with a wide range of sites suitable for all but the highest specification Grade A office space. Several areas offer very good opportunities for marginal provision and it has a number of well located sites that should be prioritised.

³ Peter Brett Associates (2013) Richmond Employment Land and Premises, Chapter 6.

Richmond Town Centre	Richmond town centre is the main office centre in the Borough. Not only can it hold its own as an office market, but it should be actively protected as it is the heart of the borough's business. Richmond Town Centre is highly suitable for Grade A and Town Centre offices, while being viable for both secondary and managed provision.
St Margarets	St Margaret's has the potential to be a useful secondary centre for Richmond Town centre although it will not support Grade A space. The studios present a possibly opportunity to create hybrid space, while the general area is suitable for high street managed and marginal space.
Teddington	Teddington is a compact centre of a size appropriate for a second-tier centre in a borough like Richmond. There is good scope for high street, managed and marginal space, with some room for hybrid and informal uses as well.
Twickenham	It is recognised that Twickenham is in need of investment with a large share of its office stock at the end of their useful lives. In this sense the local property market is at a cross-road and the future of its sites will depend on the level of investment that can be raised to meet the objectives of the Area Action Plan. There is good scope for hybrid space

London Labour Market Projections 1 May 2013 report outlines GLA Economics' latest employment projections and shows that jobs in London are projected to grow by more than 850,000 by 2036. The report also provides future projections for both the occupations and qualifications of those employed in London. The report looks at the level of turnover in the labour market with the analysis suggesting that just over half a million people left their occupation in London in 2012. It also considers the projected increase in London's population and considers the extent to which the demand for, and supply of, labour is likely to be in balance in the longer term.

The number of jobs in London is projected to increase from 4,896,000 in 2011 to 5,757,000 in 2036. This equates to annual average growth of just over 35,000 jobs per year and results in over 850,000 more jobs in London by 2036. Just under half of all this employment increase is expected to come from the professional, real estate, scientific and technical activities sector. The demand for professional occupations is projected to increase significantly in London (by over half a million) in the period to 2036. The Borough employee growth per annum is projected to be 0.6% pa and employee change from 2011 to 2036 to be 10,600. Importantly the working age population (16-64 years) of Richmond upon Thames residents rises from 124,000 in 2011 to become between 125,000 and 137,000 people in 2036⁴. (The higher figure is neither constrained by transport accessibility nor workplace capacity). A very large proportion of these people will need to have jobs.

⁴ GLA Population Projections, 2012 Round.

Consultation

The Council carried out the All-in-one Business Survey in 2011. Respondents, mainly small, owner-managed businesses reflecting a key characteristic of the borough's economy, provided a wealth of information to inform the council's services' development. The council's commitment to supporting business has been underlined by a recent commitment of an economic support fund to help enhance the business environment and a Retail and Business Champion has been recruited to focus on addressing the needs of retailers and other businesses.

The Council are committed to delivering a unique programme of public engagement. We will provide more advice and information to help voluntary sector and community organisations who want to shape and deliver services for the local community and will continue a programme of involving and engaging residents, service users and their carers in the development of services. Businesses have an important role to play in maintaining the vibrancy and distinctiveness of local areas, making them attractive for residents and visitors and are a key factor in the quality of life for residents. The Council will continue to support the improvement of the trading environment through the Town Centre Opportunity Fund and Civic Pride Fund. The Council is working to support the High Streets for example by delivering a Business Improvement District (BID) for Twickenham. The Council are also continuing their commitment to promote the borough's visitor economy to boost trade for local businesses while promoting the area for potential investors.